

total distributions on line 16a and the taxable amount on line 16b. Enter "PSO" next to line 16b.

If you are retired on disability and reporting your disability pension on line 7, include only the taxable amount on that line

and enter "PSO" and the amount excluded on the dotted line next to line 7.

Simplified Method

You must use the Simplified Method if either of the following applies.

1. Your annuity starting date was after July 1, 1986, and you used this method last year to figure the taxable part.

2. Your annuity starting date was after November 18, 1996, and both of the following apply.

Simplified Method Worksheet—Lines 16a and 16b

Keep for Your Records



Before you begin:

- ✓ If you are the beneficiary of a deceased employee or former employee who died **before** August 21, 1996, include any death benefit exclusion that you are entitled to (up to \$5,000) in the amount entered on line 2 below.

Note. If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 16b. Enter the total pension or annuity payments received in 2011 on Form 1040, line 16a.

1. Enter the total pension or annuity payments from Form 1099-R, box 1. Also, enter this amount on Form 1040, line 16a	1.	<input type="text"/>
2. Enter your cost in the plan at the annuity starting date	2.	<input type="text"/>
Note. If you completed this worksheet last year, skip line 3 and enter the amount from line 4 of last year's worksheet on line 4 below (even if the amount of your pension or annuity has changed). Otherwise, go to line 3.		
3. Enter the appropriate number from Table 1 below. But if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, enter the appropriate number from Table 2 below	3.	<input type="text"/>
4. Divide line 2 by the number on line 3	4.	<input type="text"/>
5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was before 1987, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6	5.	<input type="text"/>
6. Enter the amount, if any, recovered tax free in years after 1986. If you completed this worksheet last year, enter the amount from line 10 of last year's worksheet	6.	<input type="text"/>
7. Subtract line 6 from line 2	7.	<input type="text"/>
8. Enter the smaller of line 5 or line 7	8.	<input type="text"/>
9. Taxable amount. Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 16b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R. If you are a retired public safety officer, see <i>Insurance Premiums for Retired Public Safety Officers</i> before entering an amount on line 16b	9.	<input type="text"/>
10. Was your annuity starting date before 1987?		
<input type="checkbox"/> Yes. Leave line 10 blank.		
<input type="checkbox"/> No. Add lines 6 and 8. This is the amount you have recovered tax free through 2011. You will need this number when you fill out this worksheet next year		
	10.	<input type="text"/>

Table 1 for Line 3 Above

AND your annuity starting date was—

IF the age at annuity starting date was . . .

before November 19, 1996, enter on line 3 . . .

after November 18, 1996, enter on line 3 . . .

55 or under
56–60
61–65
66–70
71 or older

300
260
240
170
120

360
310
260
210
160

Table 2 for Line 3 Above

IF the combined ages at annuity starting date were . . .

THEN enter on line 3 . . .

110 or under
111–120
121–130
131–140
141 or older

410
360
310
260
210